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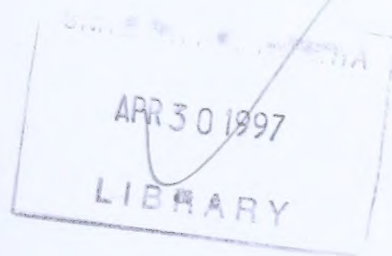


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Alberta Transportation and Utilities Annual Report 1995/96



Annual Report 1995/96

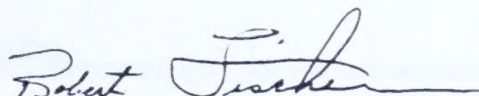


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ACCOUNTABILITY STATEMENT

The Ministry's Annual Report for the year ended March 31, 1996 was prepared under my direction in accordance with the Government Accountability Act and the government's accounting policies. All of the government's policy decisions as at September 25, 1996 with material economic or fiscal implications of which I am aware have been considered in the preparation of the Ministry's Annual Report.



Robert Fischer
Minister of Transportation and Utilities
September 25, 1996

INTRODUCTION TO THE MINISTRY

The Ministry of Transportation and Utilities consists of the Department of Transportation and Utilities and the Alberta Gaming and Liquor Commission. During 1995/96, the amalgamation of the Alberta Liquor Control Board, Alberta Lotteries, Alberta Lotteries and Gaming (including the Gaming Control Branch) and the Alberta Gaming Commission took place and were combined into the new Alberta Gaming and Liquor Commission. Also, on April 1, 1995, Alberta Public Safety Services was amalgamated into the Department of Transportation and Utilities.

This report includes information for the Department of Transportation and Utilities. The annual report for the Alberta Gaming and Liquor Commission was issued separately.

DEPARTMENT OF TRANSPORTATION AND UTILITIES

In early 1995, the Government of Alberta confirmed it would focus its efforts on three core businesses - **People, Prosperity and Preservation** - and directed all ministries to focus their efforts and their business plans in support of these core businesses. Although Alberta Transportation and Utilities (AT&U) supports each of the core businesses to some degree, our primary role relates to the core business **Prosperity**.

We promote prosperity for Albertans through an effective system of roads and utilities. Investment in Alberta highway infrastructure is in balance with fees charged to road users (i.e., motor vehicle fuel taxes, vehicle registration and drivers' license fees).

This annual report provides information on our accomplishments in 1995/96.

Our Mission

Alberta Transportation and Utilities contributes to Alberta's prosperity and economic development by ensuring the provision of:

- an effective transportation system
- essential utility services to rural areas
- disaster and emergency services.

Our Vision

Alberta Transportation and Utilities will support the Government's theme of strong financial management. We will be a smaller organization, focused on ensuring the provision of the best value transportation and utility services and infrastructure. We are doing this by:

- using innovative partnerships to provide services and infrastructure;
- using sound business principles and technologies to assess investment and set priorities;
- providing leadership to produce the greatest return for transportation and utility investments;
- using objective performance measures to manage our own activities as well as those of our partnerships;
- developing new skills to deliver our changing role, ensuring that we have capable and motivated staff.

Our Core Businesses

All of AT&Us programs and activities, whether done by department staff or by our private partners, are focused on one or more of the following core businesses:

- ensuring public safety
- preserving the public's investment in the transportation infrastructure
- contributing to the Alberta Advantage.

THE DEPARTMENT'S 1995/96 HIGHLIGHTS

In 1995/96 AT&U experienced a year of major changes. We moved from a service delivery organization where we did the work ourselves, to one that sets standards and priorities, ensures safety and compliance, and monitors the work of our private sector partners. The following describes the most significant changes in how we undertake our businesses, the benefits and the results we achieved.

Our Contribution to Cost-Effective Government

Ensuring that we get the best value for Albertan's tax dollars has always been important to AT&U and 1995/96 was no exception. In fact, we started work on a number of major initiatives, such as outsourcing work to the private sector, re-engineering internal processes, and reorganizing our resources, all aimed at saving taxpayers' dollars. Those savings were identified for re-investment in Alberta's highway system.

OUTSOURCING

◆ Primary Highway Maintenance

To implement outsourcing of primary highway maintenance, we developed a model for maintenance contracting which was based on a comprehensive study of models from other jurisdictions, building on their strengths and improving on their weaknesses.

We started by talking to our stakeholders - the contracting industry and their association, the Alberta Roadbuilders and Heavy Construction Association (ARHCA) - to make sure they were on side and ready to take on the challenge. We worked with them to develop standards and contract specifications and implement the process.

The benefits of outsourcing primary highway maintenance included:

- creating a highway maintenance industry in Alberta thereby generating employment and contributing to the economy
- cost savings to government by using a competitive bidding process and taking advantage of private sector efficiencies (i.e., no down time for employees and equipment as private sector has greater ability to move people and equipment to other jobs)
- reduced costs for government in staff, administration, and equipment
- ability to tap into the depth of expertise and experience of the private sector that we could not build.

Maintenance Area	Contractor's Start Date
Contracts Awarded in 1995/96	
♦ Calgary (including Olds, Canmore, Strathmore and High River)	January 16, 1996
♦ Vermilion (including Two Hills, Wainwright and Camrose)	January 16, 1996
♦ High Level	February 12, 1996
♦ Peace River	February 12, 1996
♦ Grande Prairie	February 12, 1996
Contracts to be Awarded in 1996/97	
♦ Lethbridge (including Medicine Hat, Taber, Brooks, Vulcan and Pincher Creek)	May 15, 1996
♦ Edmonton (including Edson, Hinton, Whitecourt)	June 17, 1996
♦ Athabasca (including Barrhead, High Prairie, Fort McMurray and Bonnyville)	July 29, 1996
♦ Hanna (including Oyen, Castor, Drumheller and Stettler)	September 9, 1996
♦ Red Deer (including Innisfail, Rocky Mountain House and Wetaskiwin)	October 17, 1996

To initiate the outsourcing, we divided the province geographically into 30 Contract Maintenance Areas (CMAs). Contracts specifications and standards were developed and we proceeded to tender contracts on a phased approach. This table details the geographic areas where contracts were awarded in 1995/96 and proposed for 1996/97.

♦ Equipment and Fleet Services and Materials Inventory

With the outsourcing of primary highway maintenance, the equipment and vehicles as well as the materials inventory, are now being provided by the private sector contractors. At the beginning of 1995/96, we managed a fleet of approximately 3300 vehicles and equipment. This fleet was funded through the Transportation Revolving Fund which had a book value of approximately \$56 million. Early in the fiscal year, we started to dispose of these assets and by the end of the year, had reduced our fleet to 2200 vehicles and equipment, valued at approximately \$37 million.

As the department fully implements private sector highway maintenance, the remainder of the materials and fleet will be eliminated. At that time, the Transportation Revolving Fund and the need for the Provincial Treasurer's advance of \$61 million (fiscal year 1995/96) will be eliminated.

♦ Engineering Design and Construction Supervision

Highway construction has been outsourced to the private sector for a number of years. In 1995/96, we commenced outsourcing all engineering design services, as well as construction supervision. We worked closely with the Consulting Engineers of Alberta (CEA) to ensure that the industry was ready to take on this work and that it was a smooth transition. In conjunction with the CEA, we ran two, three-day seminars in Calgary and Edmonton to discuss our requirements.

Some highlights of this initiative are:

- forty-five highway, six bridge and seven planning projects were awarded to private sector consultants
- forty-nine engineering firms were prequalified for future engineering work
- one hundred and seventy-seven standing offers were established for minor miscellaneous engineering work
- world-wide expertise is available to the department through private sector firms
- costs are reduced as we pay on a project-specific basis rather than full-time employee salaries and benefits.

◆ Information Systems

As part of our initiative to look at the way we do all our functions and processes, we investigated alternatives to delivering our Information Systems services. We decided to outsource a full range of information technology (IT) services to the private sector. SHL Systemhouse Inc. was selected as the successful vendor to provide IT services to the department.

The primary benefits of outsourcing IT services included:

- a minimum reduction of 35 percent in the cost of IT services within the first three years of a five-year agreement
- a stable IT operating environment for our new way of doing business and a high level of service province wide
- creative and innovative solutions to systems development and management issues and access to world-class expertise in the industry
- offering investment opportunities for our private sector partner to develop and implement innovative solutions to technology issues, thereby reducing costs for both partners.

RE-ENGINEERING AND RESTRUCTURING

We re-engineered virtually every process within the department. We defined re-engineering as the fundamental rethinking and radical redesign of an entire business system to achieve dramatic improvements in performance. We started by identifying and examining the major “processes” - 26 in all. Re-engineering teams were formed for each process. Process “maps” were developed to identify the products of each process; the customers; the materials needed; and the suppliers. In consultation with stakeholders, we developed and implemented streamlined processes resulting in significant cost savings and restructuring of resources.

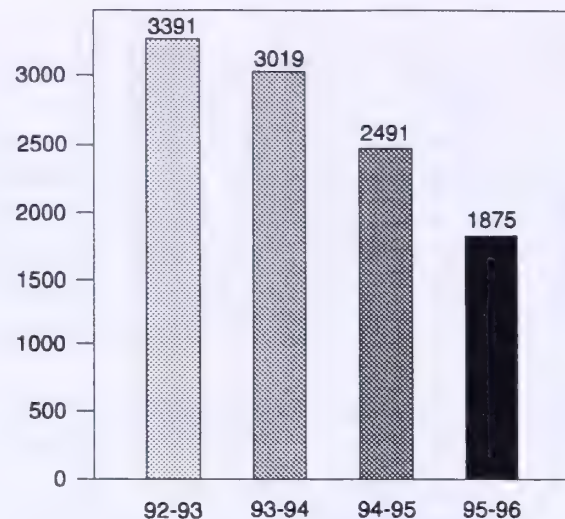
Examples of very successful re-engineering projects included:

- Re-engineering the Design and Construction Process - Our objectives with this project were to examine the existing processes for designing and constructing highway and bridge projects, and create a customized, innovative and flexible process. We also wanted to achieve dramatic improvements in service, quality, cost and cycle time. We worked extensively with the engineering and road building industries (ARHCA and the CEA) to implement recommendations that would be beneficial to both partners.

The re-engineering project resulted in key improvements to the design process including: a three-tier system for prequalifying and hiring consultants, more authority and accountability given to consultants and regional staff, modifying and establishing new policies and procedures, creating performance measures, and eliminating numerous non-value added activities. All construction supervision will now be done by private sector consultants.

- Re-engineering of “Pay Bills” - Prior to the re-engineering of this process, AT&U processed some 150 000 invoices annually. By increasing the use of “procurement” cards (under an agreement with Mastercard) throughout the department, the number of invoices was significantly reduced. By using these cards and implementing other improvements to actual processing, the number of invoices will reduce from 150 000 to 15 000 and is estimated to save in the order of \$1.1 million in paying bills.

The outsourcing and re-engineering of internal processes, and the resulting restructuring that took place, allowed the department to save significant operational and administrative dollars which will be reinvested into strategic highway infrastructure, such as the North-South Trade Corridor. The graph to the right shows the reductions of full-time equivalent positions by year.



STAFF DEVELOPMENT

We deliver our programs and services through the skills and abilities of all our staff. Their quality workmanship and dedication during a year of extensive changes has ensured that Albertans have continued access to safe and affordable transportation, utility and disaster services.

Our business plan includes a commitment to our staff - to ensure that they are well equipped and well trained for the future. With the re-engineering and restructuring that was undertaken in 1995/96, we developed a sound organization for the future and we will depend on our people to manage our businesses in the new way we have established.

REGULATORY REFORM

Under the guidance of the Alberta Regulatory Reform Task Force chaired by Gary Friedel, MLA, we finalized our three-year plan to review all acts and regulations under department responsibility. The benefits of streamlined legislation include reduced administration and costs for industry and government; less "red tape" for industry licensing and permitting; and serves to attract industry (i.e., carriers and shippers) to Alberta thereby contributing to the Alberta Advantage.

The performance measure - **Regulatory Reform** - noted in our business plan, sets out targets for reducing the number of acts and regulations. The plan we prepared in 1995/96 is summarized in the following table:

Legislation	1995/96 Totals	Targets		
		1996/97	1997/98	1998/99
Number of Acts	21	20	14	14
Number of Regulations	71	56	36	29

1995/96 PROGRAM HIGHLIGHTS

	1995/96 Actual \$ m.	1995/96 Est. \$ m.
CAPITAL		
<i>Construction of Primary Highways</i>	114.232	112.385
<i>Other Capital</i>	5.143	8.098
Total Capital	119.375	120.483
OPERATING		
<i>Primary Highways</i>		
Maintenance	77.154	72.031
Rehabilitation	41.389	46.107
Non-Capital Primary Highway Construction (minor programs)	13.535	7.601
<i>Total Primary Highways</i>	132.078	125.739
<i>Partnerships for Municipal Roadways</i>		
Rural Municipal Transportation Partnerships		
Secondary Highways	71.881	73.410
Rehabilitation of Secondary Highways	14.674	15.000
Grants to Rural Municipalities	33.059	35.680
Grants to Towns and Villages	10.877	10.000
Grants to Transitioning Municipalities	19.444	19.181
Resource Roads	6.803	2.552
<i>Total</i>	156.738	155.823
Alberta Cities Transportation Partnership		
Basic Capital Grants	44.185	47.000
Primary Highway Connector Grants	19.400	7.000
Primary Highway Maintenance Grants	4.004	4.000
<i>Total</i>	67.589	58.000
<i>Total Partnerships for Municipal Roadways</i>	224.327	213.823
<i>Other Provincial Roads and Infrastructure</i> (Maintenance and Ancillary)	7.420	7.584
<i>Partnerships for Municipal and Rural Utilities</i>		
Municipal Water/Wastewater Grants	19.030	19.000
Rural Utility Grants (Gas, electric, remote heating)	7.315	7.967
<i>Total Partnerships for Municipal and Rural Utilities</i>	26.345	26.967
<i>Program Delivery, Safety Services and Support Services</i>		
Program Planning and Technical Services	26.058	26.219
Motor Transport Board and Services	13.194	13.052
Regional Services Delivery	12.359	13.581
Support Services	10.088	9.171
<i>Total Partnerships for Municipal and Rural Utilities</i>	61.699	62.023
<i>Disaster Recovery Program and Dangerous Goods Control</i>	58.395	71.192
<i>National Infrastructure Program</i>	29.297	30.087
<i>Amortization of Capital Assets</i>	87.895	91.221
<i>Lotteries and Gaming</i>	35.965	37.055
Total Operating	663.421	665.691

Primary Highways To Serve Albertans Well

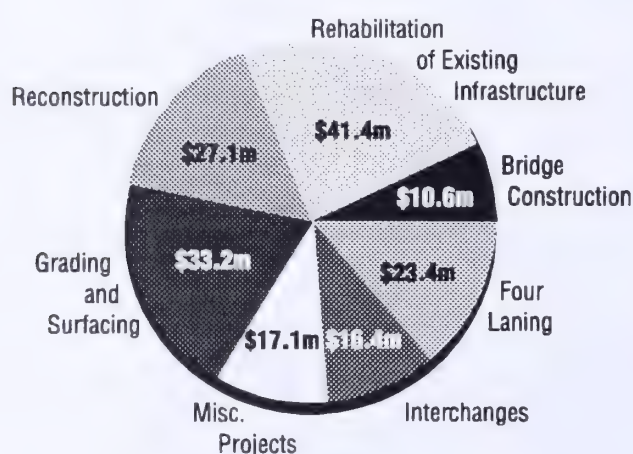
◆ Program Objectives

Alberta's primary highway system consists of some 13 800 kilometres of primary highways and bridges. It is key to Alberta's competitiveness in the international marketplace, supporting our export trade and tourism industries, as well as intra-provincial travel for our residents and for Alberta industries.

◆ Program Highlights

Our business plan reflects our commitment to providing an effective primary highway system for all Albertans, confirming that the system will be well maintained and meet highway users' expectations for convenience, timeliness and cost. Although the overall department budget decreased, we increased the investment in primary highway capital improvements, maintenance and rehabilitation. The allocation of dollars for 1995/96 is noted below:

• Capital Construction	\$114 232 000
• Non-Capital Construction	\$ 13 535 000
• Rehabilitation of existing infrastructure	\$ 41 389 000
Subtotal	<u>\$169 156 000</u>
• Maintenance of highways	\$ 77 154 000
Total Primary Highways Expenditure	<u><u>\$246 310 000</u></u>



All of the construction and rehabilitation work is done using private sector resources, thereby supporting an estimated 3945 direct jobs in the industry in 1995/96. The chart to the left shows the allocation of the construction and rehabilitation dollars.

Some key projects done on the primary highway system in 1995/96 include:

- Interchanges:
 - completion of the McKenzie Road Interchange (Highway 2 south of Red Deer)
 - significant work done on Highway 60 and 16X Interchange (completion expected in 1996/97)
- Major Construction on the North-South Trade Corridor:
 - the four-laning of Highway 43 through the Town of Whitecourt was essentially completed (remainder to be completed in 1996/97)
 - the four-laning of Highway 3, Fort Macleod to east of Pearce
 - the completion of the four-laning of the undivided section of Highway 2, north of Sheep River Crossing to south of De Winton interchange

- median widening of Highway 2, south of Bowden to north of Bowden.
- Highway 63 Widening:
 - the widening of the 8.8 kilometre section north of Algar Tower completes the upgrading and widening of Highway 63 to Fort McMurray to a modern paved standard.

◆ Program Results

The investments made to the primary highway system ensure there is a good quality of service. Two of our business plan performance measures are aimed at providing an indication of how we are doing in this regard.

The results of the first measure - **Primary Highway and Bridge Conditions** - gives the public and the department an indication of the condition of the driving surface from the perspective of pavement smoothness and riding comfort. We know that not all highways and bridges will meet standards at all

times, as needs change, and highways experience ongoing wear and tear from vehicles and from the environment. The table to the left specifies the 1994/95 baseline, our 1995/96 target and results, as well as future business plan targets.

1994/95 Baseline	1995/96		Business Plan Targets		
	Target	Results	1996/97	1997/98	1998/99
88%	88%	88%	89%	90%	90%

Our second measure - **Level of Service for Primary Highway Users** - is an overall measure which calculates traffic congestion and provides an indication that certain key highway routes meet acceptable standards in terms of travel times for moving people and goods. In this instance, we chose to measure the level of service on the following key primary highway routes: Highway 1 (TransCanada), Highway 16 (Yellowhead), and Highways 2, 3, and 4.

To calculate the level of service, we use the Highway Capacity Manual published by the Transportation Research Board. The manual sorts driving conditions into six categories, ranging from Level A (minimal congestion) to Level F (extreme congestion). Our target for these highways is Level of Service B which reflects fairly limited congestion. In non-technical jargon, one could compare the levels of service on a scale of one to six, with one being the least congested (A) to six being extremely congested (F). An example of level of service F, or six on a numbered scale, would be the movement of traffic on the Whitemud Freeway in Edmonton or the Deerfoot Trail in Calgary when an accident has occurred (near gridlock proportions).

The table to the right represents the results of this measure and future business plan targets:

1994/95 Baseline	1995/96		Business Plan Targets		
	Target	Results	1996/97	1997/98	1998/99
Level B	Level B	Level B	Level B	Level B	Level B

Partnerships for Municipal Road Transportation

◆ Program Objectives

The effectiveness of the primary highway system depends on having efficient links with some 15 000 kilometres of secondary highways and 130 000 kilometres of local municipal roads. As well, the highways that run through urban centres must be well integrated with the rural portion of the system.

AT&U partners with urban and rural municipalities to develop and maintain an integrated provincial and local roadway network for the seamless movement of people and goods. Effective partnerships with municipalities are an ongoing theme in the department's business plan.

◆ Program Highlights and Results

Our focus in this area during 1995/96 centred around changes in the Alberta Cities Transportation Partnership; working with rural municipalities to protect the secondary highways infrastructure; and improving accessibility for seniors and persons with disabilities. Key highlights are noted.

• *Secondary Highways Partnership*

1995/96 marked the second full year of the new program terms which focus on partnering with the municipalities through consultation on priorities and cost-sharing of projects. AT&U contributed some \$76 million towards the construction and rehabilitation of secondary highways, while the municipalities' share was in the order of \$25 million.

A total of 1308 kilometres of completed construction was undertaken as a result of both partners' contribution. Work involved grading, surfacing, reconstruction, seal coat, and pavement overlay.

• *Alberta Cities Transportation Partnership*

This program provides Alberta's 15 cities and the urban services areas of Sherwood Park and Fort McMurray with per-capita grants for the construction and maintenance of primary highways and truck routes through cities. Highlights for 1995/96 included:

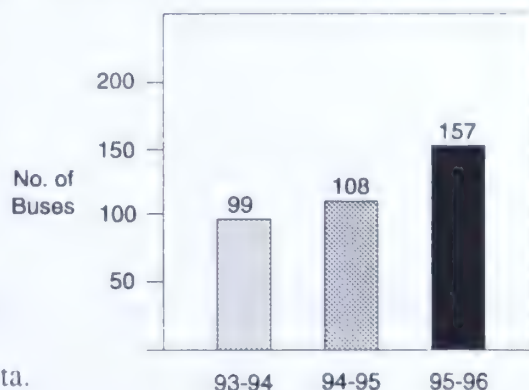
- revised program criteria to focus dollars on provincial priorities, such as primary highways and truck routes, and accessible transit facilities
- approved and funded 301 projects in 1995/96, with grants totalling \$63.6 million
- provided \$4.0 million for maintenance of primary highway routes through cities
- planning was initiated for potential North-South Trade Corridor projects in Calgary, Edmonton, Lethbridge and Grande Prairie.

• *Barrier-Free Transportation Program for Seniors and Persons with Disabilities*

The business plan outlines our commitment to make Alberta's transportation system and pedestrian environments more accessible to all Albertans. Through our Advisory Committee on Barrier-Free Transportation, projects are identified and implemented in an effort to improve transportation

accessibility, particularly for seniors and persons with disabilities. In 1995/96 we:

- worked with rural and urban communities to develop guidelines for those responsible for driving persons with disabilities, as well as a guide for planning and implementing accessible transportation systems in smaller communities
- continued to provide cost-shared funding under the Alberta Cities Transportation Partnership to assist urban municipalities in purchasing low-floor accessible transit buses. With these low-floor buses now in use in larger centres, Albertans with disabilities have more mobility choices. This graph shows the increased use of low-floor accessible transit buses across Alberta.



• **Other Program Initiatives**

To ensure that the municipal road systems can be protected and continue to form an integral part of Alberta's transportation system, we continued to provide grants to rural municipalities and to towns and villages for capital road works. During the year, \$21.5 million was provided under the Rural Transportation Grants Program and a further \$11.5 for bridge work on secondary highways and local roads. Under the Streets Improvement Program \$10.9 million was provided to towns, villages and summer villages for street improvements.

Negotiations continued with the new municipal districts (previously improvement districts) to finalize the transfer of the road authority from AT&U to these municipalities. Five municipalities assumed road authority during 1995/96; 16 assumed road authority prior to that time, and three were still under negotiation at year end. These municipalities recorded \$19.4 million in transitional grants as negotiated with AT&U.

Transportation Safety for All Albertans

◆ **Program Objectives**

Ensuring public safety is one of our core businesses and underlies a range of department activities, such as setting design standards for the primary highway system, prioritizing capital improvements, monitoring motor carrier compliance with safety requirements, and monitoring the transportation of dangerous goods.

◆ **Program Highlights**

Of key importance to highway safety and to protecting the highway infrastructure is ensuring that carriers meet standards for weights and dimensions. Through a structured program, trucks are weighed and inspected to ensure compliance with weights and dimensions. By working with industry we were able to implement a program of self regulation which has been very successful. The *Partners In Compliance Program*, whereby carriers with exemplary safety records benefit from streamlined administration, was

implemented in 1995/96 to reduce regulation. Under this program, we undertake adhoc audits of certified carriers rather than regular inspections, enabling staff to focus their efforts on monitoring problem carriers.

This chart shows a comparison of key highlights in the area of monitoring motor carrier safety.

ACTIVITY	1994/95	1995/96
Permits issued	154 989	156 414
Commercial Vehicle Inspection Program Inspections (by licensed private mechanics)	103 251	103 046
Commercial vehicles weighed	431 252	416 153
Commercial vehicles checked (by AT&U staff)	90 635	85 825
Partners In Compliance Number of Carriers Participating Number of Vehicles Covered	Program started in 1995/96	26 3 000

◆ Program Results

Road, vehicle safety and driver safety are particularly critical in reducing the high societal costs of health care, property damage and market losses. A safe primary highway system is a shared responsibility with the department contributing in the area of safe highway design, a well maintained system, regulation of the motor carrier industry, and support and coordination of traffic programs.

The following measure indicates the number of annual collisions on Alberta's primary highway system per 100 million kilometres of vehicle travel against the predetermined targets.

1994/95 Baseline	1995/96		Business Plan Targets		
	Target	Results	1996/97	1997/98	1998/99
68	68	69	67	66	65

Large trucks and other commercial vehicles that are unsafe mechanically pose a serious danger to other road users. The department's regulatory inspection program is designed to identify those vehicles in order that they may be taken out of service until they meet safety standards. Our measure titled ***Mechanical Safety of Commercial Vehicles*** shows the percentage of vehicles taken out of service against a previously established target. This measure serves as a proxy for determining the effectiveness of our monitoring and educational programs. The chart below shows the baseline for 1994/95, the 1995/96 target and results, and future business plan targets.

1994/95 Baseline	1995/96		Business Plan Targets		
	Target	Results	1996/97	1997/98	1998/99
32%	32%	33%	32%	30%	28%

Part of our role is to ensure that excessive damage to Alberta's primary highways and bridges is minimized. One way we ensure that damage is reduced is through monitoring vehicle loads. Decreasing the number of vehicles taken out of service for this reason is an indicator of the effectiveness of our regulatory program.

The following table summarizes the results and targets for the measure *Reduction in Commercial Vehicle Overloads* outlined in our business plan. The percentages noted here are also calculated in relation to the total number of vehicles inspected, using statistics from our vehicle inspection stations.

1994/95 Baseline	1995/96		Business Plan Targets		
	Target	Results	1996/97	1997/98	1998/99
18%	18%	15%	18%	16%	15%

Responsibility for monitoring the transportation and handling of dangerous goods became our responsibility when Alberta Public Safety Services was amalgamated with AT&U on April 1, 1995. The regulations and inspection programs for the transportation of dangerous goods are designed to ensure that the shipment of dangerous goods within the province meets safety standards.

The results for the measure *Transportation and Handling of Dangerous Goods* are noted in the table below. Our target recognizes that industry and drivers will occasionally make errors, oversights and bad judgements, and that 100 percent compliance with regulations is not feasible. The regulations not only apply to how the dangerous goods are being transported, but also looks at the associated paperwork required for shipments.

1994/95 Baseline	1995/96		Business Plan Targets		
	Target	Results	1996/97	1997/98	1998/99
88%	88%	88%	89%	90%	90%

Partnerships for Municipal and Rural Utilities

◆ Program Objectives

Cost-shared assistance is provided for essential utility services, including municipal water supply and treatment and wastewater treatment, and rural gas and electric services. These programs contribute to the local economy and the Alberta Advantage by enhancing the quality of life and safety in rural areas, and help to attract industry and other development to rural communities.

◆ Program Highlights and Results

During 1995/96:

- provided \$19 million under the Alberta Municipal Water/Wastewater Partnership for approved water/wastewater projects
- installed 3650 new rural gas services and provided \$3 192 000 in grant funding
- installed 750 new rural electric services. For these services, we provided \$1 141 000 in grant funding and \$2 075 000 in loan assistance to farmers. As well, \$461 000 was provided in Capital Rebuild Loans for Rural Electrification Associations

- undertook extensive work with the Federation of Alberta Gas Co-ops and the Alberta Federation Rural Electrification Associations to streamline regulatory activities and eliminate overlap and duplication. The Federation of Alberta Gas Co-ops has now taken over responsibility for certain regulatory and other co-op business services
- assumed responsibility for the regulation of urban natural gas systems from Alberta Labour; we now have regulatory responsibility for all gas pipelines operated under 100 psi.

In addition to administering these programs, Gas Alberta acts as a natural gas broker, purchasing gas from major suppliers and reselling it to rural gas co-ops at a uniform price. The natural gas rate for 1995/96 was relatively stable, averaging \$1.56 per gigajoule.

Responsiveness to Disasters

◆ Program Objectives

With the amalgamation of Alberta Public Safety Services on April 1, 1995, we took on authority for ensuring responsible, coordinated and effective response to disasters and emergencies in Alberta. We worked with all municipalities to develop and test their Municipal Emergency Plans to ensure the safety of their residents in case of disasters.

◆ Program Highlights

Two major disasters in the province resulted in a busy 1995/96. In May 1995, dry weather conditions caused massive forest fires in the northeast and in June, major flooding occurred in southern Alberta.

A small Disaster Recovery Program was approved for the Municipality of Wood Buffalo and the Municipal District of Bonnyville to offset incremental costs incurred to evacuate local residents from threatened areas and other emergency operation costs incurred during the May forest fires.

A Disaster Recovery Program, which was cost-shared with the federal government, was established to deal with the flooding in southern Alberta. This turned out to be the largest recovery program for flooding in the history of the province, both in terms of applications received and damages being paid.

Highlights of the southern Alberta flood program include:

- 3707 applications processed, including; 2932 for residents and small businesses, 732 for farming operations, and 43 for infrastructure damage and emergency operations costs
- projected payments of \$44 million, including \$11 million for residential and small businesses, \$3.5 million for agricultural operations and \$29.5 million for infrastructure/emergency operations
- projected provincial government share of \$9.8 million and projected federal government share of \$34.2 million.

◆ Program Results

One of our business plan goals is to support municipalities and individual Albertans in responding to major disasters and emergencies. We do this by helping them prepare for emergencies, and also by ensuring that our Government Emergency Operations Centre (GEOC) responds effectively to

requests from municipalities in real event emergencies and disasters.

At this time, 334 municipalities have emergency plans in place and during 1995/96, 128 of those plans were exercised to improve their effectiveness in dealing with disasters and major emergencies.

As part of the transition of these programs into AT&U, a new GEOC was established at department headquarters in Edmonton. A computer based GEOC operations log was developed to support the centre when it is activated. During 1995/96, we developed a model that will help us analyze how we respond to requests received by the GEOC.

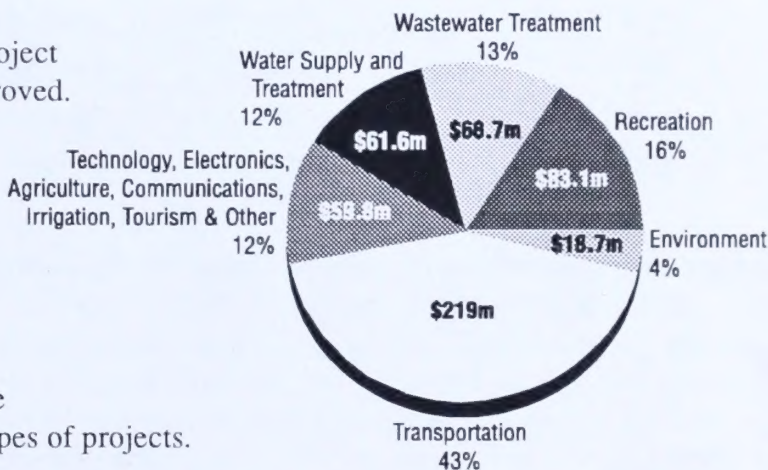
National Infrastructure Program

◆ Program Objectives, Highlights and Results

This federal-provincial-municipal partnership aims to improve local infrastructure and create jobs and economic benefits. The available funding in Alberta is allocated to urban and rural municipalities on a per-capita basis.

By the end of 1995/96, all municipal project applications had been received and approved. Construction will, however, continue through 1998/99 on projects of lasting benefit to Albertans. In total \$510.9 million will be invested in 1419 projects by the federal, provincial and local governments.

This chart reflects the distribution of the total dollars invested into the various types of projects.



Efficient Multi-Modal Transportation

◆ Program Objectives

To ensure that Alberta industry, businesses and residents are served by an efficient multi-modal transportation system, we continued to monitor trends and issues and develop Alberta policies and initiatives related to highways, rail and air transportation and ports. We participated with other provinces, the federal government and the United States on issues critical to Alberta but under the jurisdiction of others to ensure that Alberta's transportation interests were met.

◆ Program Highlights and Results

During 1995/96, extensive work was done on the Alberta Air Transportation Strategy, an initiative aimed at getting Edmonton and Calgary stakeholders, as well as the smaller communities, to work together to enhance and market aviation activity in Alberta. As part of this initiative, we held two workshops, one in June 1995 with the Edmonton and Calgary stakeholders and another in January

1996 with smaller community representatives. These workshops allowed for important networking, the development of action plans, and resulted in joint projects being undertaken between Edmonton and Calgary.

The transfer of provincial airports to local communities continued in 1995/96. Under local control, these airports can be used as a tool for enhancing the local economy and meeting local air transportation needs. The following chart provides a list of the provincial airports and the dates they were transferred

Airport Location	Transfer Date	Airport Location	Transfer Date
Cooking Lake	April 1/95	Lloydminster	April 1/95
Edson	Aug 1/95	Manning	July 1/95
Fort Chipewyan	Mar 31/95	Pincher Creek	April 1/95
Fort Vermilion	Aug 1/95	Red Earth	Sept 1/95
Fox Creek	under negotiation at year end	Rocky Mountain House	April 12/95
Grande Cache	Sept 15/95	Slave Lake	April 1/95
High Level	under negotiation at year end	Swan Hills	June 7/95
Jasper/Hinton	June 1/95	Wabasca	Sept 1/95
Lac La Biche	April 1/95	Whitecourt	April 1/95

The rail system in Alberta continues to be the most economic way to transport commodities such as grain, coal, sulphur, petrochemicals and timber products and therefore Alberta will continue to depend on it for exporting these products. During 1995/96, we had the opportunity to review and provide input into the proposed new Canada Transportation Act put forward by the federal government. This act will replace the National Transportation Act and primarily affects the rail freight sector. The Transportation Ministers of Alberta, Saskatchewan and Manitoba made a joint submission to the House of Commons Standing Committee on Transport in Ottawa in November 1995. The ministers felt strongly that a balance between the needs of railways for less regulation and more flexibility and the needs of shippers for a more competitive rail service was needed. The future focus of the three provinces, in cooperation with shippers, will be to monitor the affects of the act and provide further input into federal reviews.

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